

STAT

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April 25, 1961

Mr. Norman Conway
Group Division
Mutual of Omaha
Omaha, Nebraska

Re: Government Employees Health Association
Policy GMG 1799

Dear Norm:

STAT

Attached is a letter from [redacted] President -
Government Employees Health Association with a list of suggested
changes in the Surgical Schedule used in payment of claims under
GMG 1799.

Sincerely,

T. W. Premo, Manager
Group Claims Department

TWP/jz

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cc- Mr. Jones

Enclosure

Mr. Br. file copy

18 April 1961

Mr. Joseph E. Jones
 Mutual Benefit Health and
 Accident Association
 Ring Building
 18th and M. Streets, N. W.
 Washington, D. C.

Dear Mr. Jones:

After careful study of Contract GMG-1799, based on the experience since the inception of the new Hospitalization and Surgical Contract, it is requested that the following changes be made in the Surgical Schedule. In many instances these changes are recommended because of the fact that at the present time allowances are higher under the Low Option than under the High Option.

Under the High Option the following allowances should be increased to:

Cystoscopy, #3931, \$35.00, each subsequent, #3932, \$35.00.
 Myringotomy, #5961, \$20.00.
 Excision of lymph node, #2644, \$50.00.
 Incision and Drainage, #0101 through #0145, \$15.00.
 Antrum puncture, unilateral, #1981, \$20.00.
 Proctosigmoidoscopy, #3311, \$35.00, each subsequent, #3312, \$35.00.
 Excision of nail, nail bed or nail fold, partial, #0230, \$15.00.
 Excision of spermatocele without epididymectomy, #4174, \$65.00.
 Frenotomy, same as #2781 per underwriter's letter of 1/10/61, \$15.00.
 Peritoneocentesis: abdominal paracentesis, #3588, \$20.00, each subsequent, #3590, \$20.00.
 Aspiration biopsy of bone marrow, including sternal puncture, #0501, \$20.00.
 Malignant tumors, small, \$25.00, large, \$50.00. (NEW ITEM)

It is our considered opinion that the increased allowances mentioned above will not cause reimbursements to increase to any considerable degree. However, these increases will eliminate a basis for many grievances voiced against the present contract, and will definitely prove to be of great assistance in continuing good public relations.

Sincerely yours,

 President

LTP: b70

PROPOSED CONTRACT CHANGESGROUP POLICY GMG-1799Outpatient Hospital Miscellaneous

1. At the present time, Groover, Christie & Merritt, Oscar B. Hunter Memorial Lab., Latane Lab. and Drs. Belair, Prominski & Sheely (Circle Terrace & N. V. Doctor's Hospital) are considered approved clinics. The Rockville Medical Center Laboratory (see attached letter) is submitted for possible addition as an approved clinic. *Leave only*

Surgical Benefits

In some instances, the amount payable under Low Option is greater than the amount payable under High Option. See the following examples:

LOW OPTION

Cystoscopy (each) \$31.25
 Myringotomy \$18.75
 Excision of lymph node \$43.75
 Biopsy \$25.00
 Incision and Drainage
 Requiring hosp. \$31.25
 Not requiring hosp. \$12.50
 Antrum puncture \$18.75
 Sigmoidoscopy (each) \$31.25
 Operation for benign tumors, cysts, etc.
 Requiring hosp. confinement \$31.25
 Partial removal of nail \$12.50
 Spermatoclectomy \$62.50
 Incision or excision of Chalazion
 If hospital confined \$31.25
 Frenotomy \$18.75
 Abdominal paracentesis (each) \$18.75

HIGH OPTION

noice ✓
 ✓ Diagnostic \$25.00, (subsequent \$15.00)
 ✓ \$10.00 - 2000
 ✓ \$25.00 - 5000
 OK \$10.00
 ✓ \$5.00
 ✓ \$5.00
 ✓ \$10.00 - 2000
 ✓ Diagnostic \$15.00, (subsequent \$10.00)
 ? Allowance not increased for hospital confinement
 ✓ \$10.00 - 1500
 ✓ \$50.00 - 6500
 OK \$25.00
 \$15.00
 \$10.00 (per underwriter's letter of 1/10/61)
 Initial \$20.00, (subsequent \$10.00) *out*

Blood transfusion (each) \$31.25

OK Direct method \$25.00
Indirect method \$10.00

Aspiration biopsy of bone marrow,
including sternal puncture
Bone marrow (sternal puncture) \$18.75

✓ \$15.00 — 2022

Treatment of Fracture-Ribs
Three or more ribs \$31.25
Fewer than three \$12.50

no judgement OK

Ribs, simple, strapping \$10.00

Distinction made between benign and
malignant tumors.

✓ No distinction made between
benign and malignant tumors.

Change #0178 and #0180 change
see attached #1.

make 5410
small large

Add to contract (not in contract)
"Treatment of Fractures"
see attached #2.

It is requested that the above allowances be reviewed, with consideration given to
the possibility of increasing the allowance under High Option to equal the allowance
under Low Option.

My recommendation is to remove clinic from the contract under Outpatient
Services. In order for claims to be reimbursable the bill must show the name of
the hospital where services were rendered.

leave
alone